## In the Claims:

Please cancel claims 1-3

Please enter the following claims:

A process for preparing an aqueous polymer dispersion comprising: a) forming a polymer from at least one blefinically unsaturated monomer in an aqueous medium wherein at least one monomer has a cationic

functionality; and

b) adding additional monomers and polymerizing the resulting mixture, wherein the process is effectively controlled to produce polymer particles having a heterogeneous morphologly, and wherein said aqueous polymer dispersion has a Tg of greater than 50°C.

The process of claim 35 wherein the polymer having cationic functionality (a)

is formed in situ in the presence  $\phi$ f a seed.

The process of claim 35 wherein said heterogeneous morphology is a coreshell morphology

3/wherein said core-shell morphology consists of a hydrophobic outer phase and/a hydrophillic inner phase.

ঠ9. The process of claim ঽঠ wherein polymer particles formed are substantially monodisperse.

Ø. The process of claim 35 wherein said particles have an average diameter of from 30 to 1000 nm.

The process of claim 38, wherein said inner phase (core) has a Tg below 50 °C and said outer phase (shell) has a Tg of above 50°C.

The process of claim 35 wherein said cation functionality comprises a quaternary ammonium group.

36. The process of claim 36 wherein said monomers comprise at least one protonated reactive group which is capable of being deprotonated with an increase in the pH-value.

44. The process of claim 35 where said additional monomers (b) comprise at least one anionic furctional monmer.

46. An aqueous dispersion produced by the process of claim 35.